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CORPORATION FILE

Weinberger Drug Stores, Inc.

Common Stock

10,000 Shares

Weinberger Drug Stores, Inc.

Common Stock

Authorized - 100,000 shares *Issued - 70,000 shares*

HISTORY AND BUSINESS

Weinberger Drug Stores, Inc. was organized in October, 1928, under the laws of the State of Ohio to take over and operate a chain drug business established by Mr. Adolph Weinberger and his associates in 1926. Backed by over 20 years of experience in the retail drug business in Cleveland, Mr. Weinberger has developed unique and very successful merchandising methods. From small beginnings the business has grown until, today, the company operates a total of 18 stores in greater Cleveland, Sandusky and Mansfield, Ohio, and a wholesale department.

During the past year the company organized a well equipped laboratory and manufacturing plant which is under the supervision of Mr. William Handler, Vice President and formerly chief chemist of the Pompeian Company of Cleveland. This laboratory already produces in excess of 100 items of drugs, medicines and cosmetics.

Operations of stores are conducted on the cash and carry plan, no charge accounts being carried on the books and no deliveries being made.

MARKET

The stock of Weinberger Drug Stores, Inc. was listed on the Cleveland Stock Exchange in December, 1928 and sold at $21 per share. It rose consistently in price and reached, during the year, a high of $51. During the stock market break in October and November the stock sold low at $31 per share.

In March, 1929, and again in September, 1929 the stockholders of the company were given valuable rights for the purchase of additional stock substantially below the market price. On February 20, 1930, the 30,000 shares of outstanding stock was split two for one which, with the 10,000 shares now being sold, makes the total outstanding shares 70,000.

MANAGEMENT

Continuity of management is assured by the ownership on the part of Mr. Weinberger and his chief executives of about one-half of the stock to be outstanding on the conclusion of this financing.

The company is developing a constantly growing number of young, energetic and loyal managers and executives, who are tied into the company not only by their ownership of stock, but also by an unusual and successful profit sharing plan which offers high rewards for individual initiative, industry and integrity.

DIRECTORATE

The Board of Directors includes Adolph Weinberger and Joseph Spivack, Executives of the company; Maurice Gusman, President, The Merchants Bank; Max E. Meisel, Attorney-at-Law; L. J. Wolf, of Mandelbaum, Wolf and Lang; E. G. Tillotson and Edward L. Worthington of E. G. Tillotson & Co., Inc.

PURPOSE OF ISSUE

Cash realized from the sale of this stock will be used in accordance with a conservative expansion policy. It is planned to open 12 new stores during the current year.

EARNINGS AND DIVIDENDS

Sales and earnings of the company and predecessor companies for the past three years, as certified by Messrs. Price, Waterhouse and Company, have been as follows:

Year Dec. 31	No. of Stores	Sales	% of Increase	Net Profit (after all charges, depr. & Federal taxes)	Net per Share*)
1927	4	331,882.97	---	18,691.25	.93
1928	7	572,893.34	72.6	74,212.07	3.71
1929	17	1,531,636.48	167.3	120,107.42	4.76

*) The above "Net per Share" is calculated on the average number of shares of old stock outstanding during 1928 and 1929, and on 20,000 shares as applied to 1927. As of February 20, 1930, this old stock was split two for one.

The old stock initiated a cash dividend at the rate of $1.60 per annum, which was subsequently raised to $2.00 per annum. The Directors have signified their intention of placing the new shares on an annual dividend basis, for the year 1930, of $1.00 per share in cash and 4% in stock.

Application will be made to list the new shares of the company on the Cleveland Stock Exchange.

This stock is offered as, if and when issued and received by us, and subject to the legality of all the proceedings appertaining to it being approved by M. B. and H. H. Johnson, Esqs., for the bankers, and Max E. Meisel, Esq. for the company.

Price $20.00 per share.

The information in this circular was received from sources which we consider to be reliable. While not guaranteed it is accepted by us as accurate.

Weinberger Drug Stores, Inc.

Balance Sheet — Dec. 31, 1929

ASSETS

Current Assets		
Cash	$ 78,161.13	
Accounts Receivable	16,519.04	
Due from Employees on purchase of stock and from Officers	37,641.30	
Inventories of Merchandise	489,358.43	$621,679.90
Miscellaneous Investments		3,581.59
Fixed Assets		
Furniture, Fixtures and Equipment in 17 stores and laboratory	106,838.44	
Less—Reserve for depreciation	6,402.83	100,435.61
Patents and Copyrights		1.00
Deferred Charges		
Organization expense	13,607.87	
Prepaid Expenses	9,490.70	23,098.57
		$748,796.67

LIABILITIES

Current Liabilities		
Accounts payable	$130,162.43	
Accrued payrolls and local taxes	4,370.62	
Dividends payable	15,000.00	
Provision for employees' special compensation	11,300.00	
Provision for Federal Income Tax	15,200.00	$176,033.05
Capital Stock		
Authorized and outstanding 30,000 shares		400,000.00
Paid-in Surplus		87,202.39
Surplus from Operations		
Balance, January 1, 1929	15,986.77	
Less—Sundry adjustments	532.96	
	15,453.81	
Profit for year ending December 31, 1929	120,107.42	
	135,561.23	
Dividends paid	50,000.00	85,561.23
		748,796.67

We have examined the books and accounts of Weinberger Drug Stores, Inc. from its inception to December 31, 1929 and we certify that the above balance sheet is in accord therewith and, in our opinion, fairly sets forth the financial position of the company at the latter date.

PRICE, WATERHOUSE AND COMPANY